
**ATLANTIC COAST
COPPER CORPORATION
LIMITED**

ANNUAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, **1977**



ATLANTIC COAST COPPER CORPORATION LIMITED

Incorporated under the laws of Ontario on May 15, 1956

DIRECTORS

A. G. KIRKLAND. Saint John, New Brunswick
D. A. MACFARLANE. Saint John, New Brunswick
DR. A. L. McALLISTER. Fredericton, New Brunswick
G. F. PUSHIE. St. John's, Newfoundland
L. McC. RITCHIE. Saint John, New Brunswick

OFFICERS

L. McC. RITCHIE. *President*
A. G. KIRKLAND. *Vice-President*
D. A. MACFARLANE. *Secretary and Treasurer*
MRS. M. JONES. *Assistant Secretary*

HEAD OFFICE

SUITE 1101, 21 KING ST. EAST. Toronto, Ontario

EXECUTIVE OFFICE

GOLDEN BALL BUILDING. Saint John, New Brunswick

TRANSFER AGENT AND REGISTRAR

GUARANTY TRUST COMPANY OF CANADA. Toronto, Ontario

AUDITORS

COOPERS & LYBRAND. Saint John, New Brunswick

ANNUAL MEETING

March 29, 1978 9:30 a.m. (Toronto time)
Saskatchewan Room, Royal York Hotel, Toronto, Ont.

ATLANTIC COAST COPPER CORPORATION LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your directors submit herewith the annual report of the Corporation for the year ended December 31, 1977 which includes the audited financial statements of the Corporation for that period.

Net earnings for 1977 were \$27,770 compared with \$59,844 in the previous year. This reduction was the result of a decrease in dividend income in 1977 coupled with an increase in operating expenses.

The Corporation maintained its exploration office in Fredericton, N.B. during all of 1977. Our basic geological staff was augmented by students during the summer season and several programs were carried out, mostly for the account of associated companies. Net exploration costs for 1977 were \$7,037 compared with \$6,433 in the preceding year.

There were no changes in 1977 in the Corporation's portfolio of marketable securities. As stock market prices (excluding western oil and gas stocks) were generally at a relatively low level at the end of 1977, the market value decreased to approximately \$2,742,000 compared with \$3,651,000 at the end of 1976.

The Corporation continues to hold its investment in Northern Canada Mines, Limited and Consolidated Rambler Mines Limited (Rambler). Because of soft metal markets, it is expected Rambler will not show a profit in 1977 which would provide its shareholders with a satisfactory return on their investment. It is hoped operational efficiencies and higher grade of ore will yield improved operating results in the future.

There has been no change in the Board of Directors or management of the Corporation in 1977.

On behalf of the Board,

L. McC. RITCHIE,
President.

Saint John, N.B.
February 10, 1978.

COOPERS & LYBRAND

CHARTERED ACCOUNTANTS
801 BRUNSWICK HOUSE
SAINT JOHN, N. B., CANADA

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Atlantic Coast Copper Corporation Limited as at December 31, 1977 and the statements of earnings and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the corporation as at December 31, 1977 and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

COOPERS & LYBRAND

Chartered Accountants.

January 20, 1978

ATLANTIC COAST COPPER

BALANCE SHEET AS AT

ASSETS

	1977	1976
	\$	\$
CURRENT ASSETS		
Cash and short-term deposits with accrued interest.	183,353	157,679
Marketable securities — at cost		
(quoted value — \$2,742,000; — \$3,651,000).....	2,761,969	2,761,969
Accounts receivable.....	152,114	151,760
	<u>3,097,436</u>	<u>3,071,408</u>
INVESTMENTS IN ASSOCIATED CORPORATIONS (note 1).....	1,400,093	1,400,093
FIXED ASSETS		
Vehicles and office equipment — at cost less		
accumulated depreciation of \$10,915;		
1976 — \$7,761.....	8,669	11,554
	<u>4,506,198</u>	<u>4,483,055</u>

SIGNED ON BEHALF OF THE BOARD

L. McC. RITCHIE, Director.

D. A. MACFARLANE, Director.

CORPORATION LIMITED

EMBER 31, 1977

LIABILITIES

	1977	1976
	\$	\$
CURRENT LIABILITIES		
Accounts payable and accrued liabilities.	22,899	27,526

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized —

5,000,000 shares without par value

Issued and fully paid —

4,300,000 shares.	3,390,000	3,390,000
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RETAINED EARNINGS.	1,093,299	1,065,529
	4,483,299	4,455,529
	4,506,198	4,483,055

ATLANTIC COAST COPPER CORPORATION LIMITED

STATEMENT OF EARNINGS AND RETAINED EARNINGS

For the year ended December 31, 1977

	1977	1976
	\$	\$
REVENUE		
Investment income.	81,653	104,442
Other.	5,427	2,425
	<u>87,080</u>	<u>106,867</u>
EXPENSES		
Operating.	49,120	36,293
Exploration costs.	7,037	6,433
Depreciation.	3,153	4,297
	<u>59,310</u>	<u>47,023</u>
NET EARNINGS FOR THE YEAR.	<u>27,770</u>	<u>59,844</u>
RETAINED EARNINGS — BEGINNING OF YEAR.	<u>1,065,529</u>	<u>1,005,685</u>
RETAINED EARNINGS — END OF YEAR.	<u>1,093,299</u>	<u>1,065,529</u>
EARNINGS PER SHARE.	<u>.01</u>	<u>.01</u>

ATLANTIC COAST COPPER CORPORATION LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended December 31, 1977

	1977	1976
	\$	\$
SOURCE OF WORKING CAPITAL		
From operations.	<u>30,923</u>	<u>64,141</u>
USE OF WORKING CAPITAL		
Purchase of fixed assets (net)	<u>269</u>	<u>7,397</u>
INCREASE IN WORKING CAPITAL	30,654	56,744
WORKING CAPITAL — BEGINNING OF YEAR.....	<u>3,043,882</u>	<u>2,987,138</u>
WORKING CAPITAL — END OF YEAR.....	<u><u>3,074,536</u></u>	<u><u>3,043,882</u></u>

ATLANTIC COAST COPPER CORPORATION LIMITED

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 1977

1. INVESTMENTS IN ASSOCIATED CORPORATIONS

		<u>Quoted Value</u>	
	Cost	1977	1976
	\$	\$	\$
Northern Canada Mines Limited —			
253,271 shares.....	271,687	73,449	55,720
Consolidated Rambler Mines Limited —			
450,000 shares.....	<u>1,128,406</u>	<u>517,500</u>	<u>454,500</u>
	<u>1,400,093</u>	<u>590,949</u>	<u>510,220</u>

The corporation owns 16.2% of Northern Canada Mines Limited and 15.1% of Consolidated Rambler Mines Limited and its proportionate share of the equity underlying the investments is \$1,380,000 (1976 — \$1,375,000).

2. DIRECTORS' AND SENIOR OFFICERS' REMUNERATION

The direct remuneration paid or payable to senior officers as defined by the Business Corporations Act aggregated \$84,949 in 1977 of which \$59,550 was charged to other companies.

3. ANTI-INFLATION ACT

As the corporation's shares are listed on the Toronto Stock Exchange, it is subject to part 3 of the Anti-Inflation Act Regulations respecting dividends.

